

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01243

Assessment Roll Number: 3508140
Municipal Address: 20 Airport Road NW
Assessment Year: 2013
Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Dean Sanduga, Presiding Officer
Jasbeer Singh, Board Member
Taras Luciw, Board Member

Preliminary Matters

[1] Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to the file.

Background

[2] The subject property is a single story, multi-bay medium warehouse with a main floor office of 25,947 square feet and total main floor area of 47,207 square feet. The property is located at #20 Airport Road NW in the Edmonton Municipal Airport neighborhood. The building effective year built is 1975 and the site coverage 46%.

Issue(s)

[3] Is the assessment of the subject property in excess of its market value?

Legislation

[4] *The Municipal Government Act*, RSA 2000, c M-26, reads:

s 1(1)(n) "market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

s 289 (2) Each assessment must reflect

- (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and
- (b)) the valuation and other standards set out in the regulations for that property.

s 467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

s 467(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- (a) the valuation and other standards set out in the regulations,
- (b) the procedures set out in the regulations, and
- (c) the assessments of similar property or businesses in the same municipality.

Position of the Complainant

[5] The Complainant submitted that the subject property's 2013 assessment is higher than its market value as at July 1, 2012.

[6] The Complainant provided written evidence (Exhibit C-1) in support of their position that included three sales comparables (Exhibit C-1, page 10) indicating time-adjusted sales prices ranging from \$79.35 to \$91.70 per square foot for the main floor space.

[7] The sales comparables are all located in the northwest quadrant of the City, the same as the subject, and range in gross building area from 41,554 square feet to 57,512 square feet, indicating a site coverage ranging from 38 % to 46%. The subject has a gross building area of 47,207 square feet and site coverage of 46%.

[8] The sales comparables reflect a time-adjusted sales price median of \$82.92 per square foot and an average of \$83.32 per square foot as applied to the leasable building area whereas the subject's 2013 assessment is \$86.55 per square foot (C-1 page 10).

[9] The Complainant advised the Board that the subject property was sold in 2008 for a value of \$3,500,000 and the Time Adjusted Sales Price (TASP) of this sale is \$3,543,050. The subject's assessed value of \$4,086,000 is higher than the time adjusted sale price. The Complainant requested the assessment should be reduced to \$3,543,050.

[10] The Complainant supported the request for the assessment not to be in excess of actual value by citing judicial and CARB decisions and stated that the time adjusted 2008 sale price of the subject property is a clear indication of the current market value.

[11] The complainant cited Honorable Madam Justice L.D. Acton “ *I think that generally speaking the recent sales price, if available as it was in this case, in law and, in common sense, the most realistic and the most reliable method of establishing market value*”. (C1-page 45)

[12] The Complainant submitted that the sale of the subject property and supporting comparable sales evidence provided should be more than sufficient to support a reduction in the 2013 assessment from \$4,086,000 to \$3,543,050.

Position of the Respondent

[13] The Respondent provided a 63 page assessment brief (Exhibit R-1). The brief contained four sales comparables (R-1 Page 18) which indicated a sale price per square foot ranging from \$79.00 to \$106.00 and four equity comparables (R-1 page 23) ranging from \$72.00 to \$86.00 per square foot.

[14] To further support the assessment, the Respondent provided a 2011 sale and transfer of 50% interest in the subject property together with a Land Title Certificate which indicates that the subject property at the time of the partial interest sale was sold for \$3,902,740.(R-1 pages 30-39).

[15] The Respondent informed the Board that the time adjusted sale price on the basis of this valuation, as on the valuation date (July 1, 2012) is \$4,301,990 which adequately supports the 2013 assessment.

[16] The Respondent advised the Board that the Complainant's three sales comparables (C-1 page 10) were also used by the Respondent (R-1 page 18).

[17] The Respondent requested the Board confirm the 2013 assessment at \$4,086,000.

Decision

[18] The decision of the Board is to confirm the 2013 assessment at \$4,086,000.

Reasons for the Decision

[19] The Board places greatest weight on the sale and transfer of the undivided one half interest of the subject property in 2011 and the certification of the sale price of \$3,902,740 which supports the assessment of \$4,086,000.

[20] The Board is persuaded by the three common sales comparables submitted by the parties which confirm that the assessment is fair and equitable and support the subject property's assessment at \$87.00 per square foot.

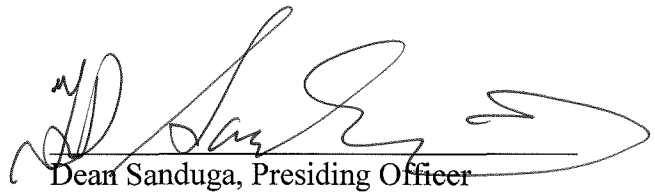
[21] The Board is also persuaded by the equity comparables submitted by the Respondent which support the subject property's assessment.

Dissenting Opinion

[22] There was no dissenting opinion.

Heard on August 29, 2013.

Dated this 25th day of September, 2013, at the City of Edmonton, Alberta.



Dean Sanduga, Presiding Officer

Appearances:

Adam Greenough
for the Complainant

Luis Delgado
Nancy Zong
for the Respondent

This decision may be appealed to the Court of Queen's Bench on a question of law or jurisdiction, pursuant to Section 470(1) of the Municipal Government Act, RSA 2000, c M-26.